UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE SHEEP AND LAMB SITUATION

Summary

Some further decline in prices of lambs is expected within the next few months as marketings of new crop lambs increase. The delayed marketings of early lambs combined with the movement of late lambs the Bureau of Agricultural Economics states, may result in a larger than usual increase in supplies during late summer and early fall. Prospects for the late lamb crop are favorable in most areas.

Prices of spring lambs were rather irregular in May and early June. During the third week of May prices reached the highest level thus far this season and also the highest since 1929. A decline in lamb prices occurred in late May followed by some recovery in early June, but there was a further drop after mid-June. The higher lamb prices in May than a year earlier were due largely to increased wool and pelt values, since prices of dressed lamb were below those of a year earlier.

Inspected slaughter of sheep and lambs in May was slightly larger than in April and about 13 percent larger than in May last year. The increase over a year earlier resulted largely from increased marketings of Texas yearling lambs and spring lambs, since marketings of lambs from other areas were relatively small for this season of the year. The eastern movement of early California lambs was much smaller than last year and was later than usual, but the spring movement of grass fat yearling lambs ~~and new crop lambs~~ from Texas was about the largest on record. Shipments from Texas are expected to be about completed by the end of June.

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- The early spring lamb crop was somewhat smaller than that of last year, and marketings of such lambs have been delayed to some extent because of unfavorable weather and feed conditions in late winter and early spring. Prices of spring lambs thus far this season have been $1 to $2 higher than those of a year earlier. The market movement of fed lambs (1936 crop) was practically completed by early May. Prices of lambs during the fed-lamb marketing season, December-April 1936-37 averaged considerably higher than in any year since 1929-30.

Prices of spring lambs fairly well maintained in May

Prices of spring lambs rose sharply during the second and third weeks of May, reaching the highest level thus far in the current season. The average price of $12.63 per 100 pounds for good and choice spring lambs at Kansas City for the week ended May 22 was the highest since 1929. In last week of May prices declined about $1.25 from their peak, but recovered most of this loss in early June. After mid-June, however, prices again declined. The higher lamb prices in May than a year earlier were due chiefly to higher wool and pelt values, since prices of all grades of dressed lamb were below those of a year earlier. Prices of slaughter ewes at Chicago were steady during most of May but declined at the end of the month and in early June.

Average price per 100 pounds of good and choice spring lambs, at Kansas City, by weeks, May and June 1936-37

Week ended	1936 Good and choice average	1936 Choice	1936 Good	1937 Good and choice average	1937 Choice	1937 Good
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
May 1	11.52	11.80	11.24	11.94	12.24	11.65
8	10.46	10.73	10.15	11.19	11.56	10.82
15	10.92	11.19	10.65	12.04	12.37	11.72
22	11.50	11.79	11.22	12.63	12.94	12.32
29	11.33	11.68	10.98	11.36	11.58	11.14
June 5	10.74	11.02	10.45	11.72	11.95	11.49
12	10.86	11.15	10.58	11.90	12.10	11.70

Slaughter of sheep and lambs under Federal inspection in May, totaling 1,371,000 head, was 3 percent larger than in April and 13 percent larger than in May 1936. The increase over a year earlier was due largely to the record movement of Texas grass fat yearling lambs and spring lambs, since marketings of early lambs from other areas were relatively small for this season of the year. The peak of the spring movement from Texas probably has been passed.

Although marketings of California lambs increased materially during May, the number was much smaller than in the same month a year earlier. Because of unfavorable weather and feed conditions, the early lamb crop in California was smaller than that of a year earlier and was later than usual. Marketings of spring lambs from the Southeastern States began in limited volume in late May and early June. The first sizable shipments of Idaho spring lambs were received at mid-western markets in early June, and there was some increase in the supply of new crop native lambs.

Eastern movement of California spring lambs about completed

The peak of the eastern movement of California lambs, which came in late May, was about 2 weeks later than last year. The total eastern movement to date, which is reported to have been practically completed by early June, was about 30 percent smaller than the shipments of a year earlier. Because of unfavorable feeding conditions a larger than usual number of the early lambs from California did not attain desirable slaughter weight.

The movement of grass fat yearling lambs and spring lambs from Texas will be about completed by the end of June.

OUTLOOK

BACKGROUND.- The following conclusions were stated in the May issue of this report with respect to the outlook for lambs:

(1) The seasonal decline in prices of lambs which usually begins in early June probably will occur somewhat later than usual this summer, and may be greater than average.

(2) Marketings of new crop lambs from most areas will be smaller than a year earlier until the end of June.

(3) In view of the late development and delayed marketings of new lambs, marketings of early lambs may be large in late July and August when late lambs begin to move to market in fairly large volume.

The outlook for supplies of lambs has not changed greatly during the last month. The delayed marketings of early lambs combined woth the movement of late crop lambs may result in a larger than usual increase in marketings of lambs in the late summer and early fall. The extent of the seasonal increase in the slaughter of sheep and lambs during this period, however, will depend partly upon the number of lambs which are purchased for feeding.

According to the Western Livestock and Range Report of June 1, ranges are in fair to good condition. Sheep are generally in good condition, except in 1936 drought areas. In most areas in the Western States prospects for late lambs are fairly favorable, range and feed conditions having been improved somewhat by recent rains. The development of early lambs has been retarded to some extent in Idaho, Oregon and Washington.

Large supplies of good quality lambs from the Southeastern States (Kentucky, Tennessee and Virginia) and from the Southern Corn Belt States also are expected in the next 2 months. In general, feed conditions in areas which usually furnish large lamb supplies during July and August are such as to encourage the production of good quality lambs, although the movement may be somewhat later than usual.

Ordinarily prices of lambs decline during June and July, and by early August reach a level which is fairly well maintained through November. This year with the later than usual marketings of new crop lambs, it was expected that decline in prices of lambs would occur somewhat later than usual. However, the drop in prices during the third week of June may be the beginning of the usual summer decline. With a considerable seasonal increase in marketings expected in late summer and early fall, a further decline in lamb prices is probable within the next few months. The extent of this decline will depend partly upon the demand which develops for feeder lambs.

THE WOOL PRICE SITUATION 1/

Wool prices declined in the United States in May at country points and in the Boston market but remained well above those of a year earlier. Some weakness also was reported in prices in foreign markets. In view of prospects for continuation of a relatively high level of domestic mill consumption during the early summer and the present short world supplies of wool, further declines in domestic wool prices during the summer months probably will be small.

Supplies of apparel wool in the United States on May 1 probably were larger than a year earlier but they were smaller than the average for the preceding 10 years. The increase over a year earlier was due entirely to larger stocks of foreign wool in this country.

While some decline in the current high rate of mill consumption may occur during the second half of 1937, consumption probably will be fairly well maintained during the early summer in view of unfilled orders now on hand. Supplies now available in this country will not be sufficient for domestic mill requirements during the remainder of the present wool marketing year ending March 1938.

1/ From the Demand and Price Situation, a monthly report of the Bureau of Agricultural Economics.

Barring adverse weather conditions in the next few months, it appears probable that wool production in Australia, New Zealand and the Union of South Africa will be larger than in 1936. The increase will be offset in part, at least, by a smaller carryover in the Southern Hemisphere at the end of the current season. As yet there is no definite indication of the size of the coming clip in South American countries.

Supplies of sheep and lambs, year 1936 and May 1937, with comparisons

Item	Unit	Year: Average 1924-33	Year: 1935	Year: 1936	Month: May average 1924-33	Month: May 1936	Month: Apr. 1937	Month: May 1937
Inspected slaughter 1/ :								
Sheep and lambs...	thousands	14,737	17,644	17,216	1,192	1,213	1,334	1,371
Receipts at seven markets 2/........	"	3/15,241	12,312	11,892	3/1,055	733	888	814
		Year: Average 1924-33	**Year: 1935**	**Year: 1936**	**Month: Apr. average 1924-33**	**Month: Apr. 1936**	**Month: Mar. 1937**	**Month: Apr. 1937**
Inspected slaughter :								
Lambs & yearlings-								
Number	thousands	13,678	16,400	15,647	1,081	1,196	1,240	1,256
Percentage of total sheep and lambs	percent	92.8	93.0	90.9	92.8	94.4	94.5	94.1
Sheep -								
Number	thousands	1,059	1,244	1,569	84	71	72	79
Percentage of total sheep and lambs	percent	7.2	7.0	9.1	7.2	5.6	5.5	5.9
Average live weight	pound	81	84	85	84	88	90	87
Average dressed "	"	39	40	40	40	41	41	41
Total dressed "	mil.lb.	569	701	680	46	52	54	54

1/ Bureau of Animal Industry.

2/ Chicago, Kansas City, Omaha, Denver, St. Joseph, Sioux City, and St. Paul.

3/ Average 1929-33.

Price per 100 pounds of sheep and lambs, by months, March-May 1935-37

Classification	1935			1936			1937		
	Mar.	Apr.	May	Mar.	Apr.	May	Mar.	Apr.	May
	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.
Lambs, Chicago :									
Good and choice	8.17	8.11	1/7.60	9.90	10.98	1/10.26	11.88	12.22	1/9.99
Common and medium...	7.20	7.34	1/6.74	9.04	10.01	1/ 8.88	10.59	11.11	1/8.42
Ewes, Chicago:									
Good and choice.....	4.87	4.56	3.41	5.36	5.70	4.48	6.62	5.67	4.50
Common and medium...	3.82	3.52	2.28	4.36	4.63	3.36	5.08	4.17	2.93
Feeding lambs, Omaha:									
Good and choice	6.32	6.07	---	8.87	9.05	8.99	10.08	10.20	---
Average price paid by packers:									
Sheep and lambs	7.96	7.62	7.57	9.39	9.78	9.76	10.99	10.92	
Average price received by farmers:									
Sheep	3.83	3.83	3.69	4.36	4.48	4.30	4.81	4.93	4.89
Lambs	6.67	6.58	6.59	8.10	8.46	8.59	8.83	9.19	9.16
Lamb, New York:									
Wholesale carcass 2/-									
Choice	16.95	16.56	16.77	18.19	20.67	22.15	20.28	21.05	19.96
Good	15.90	15.70	15.85	17.65	20.06	21.26	19.35	20.05	18.90
Medium	14.90	14.89	14.87	16.83	19.08	19.68	18.34	18.85	17.82
Retail composite price:									
Good	24.04	23.59	23.81	23.98	25.99	27.35	24.75	27.07	26.86
Pulled wool, Boston 3/									
Choice AA	68.8	67.5	70.1	97.0	93.2	91.2	113.5	113.8	110.0
Choice White B	57.0	58.0	60.4	80.2	78.1	75.5	96.0	98.0	94.2
Sheep pelts, packers' shearlings, No. 1, each 4/..............	0.72	0.69	0.58	1.08	1.00	1.05	1.51	1.55	1.48

1/ Shorn basis.
2/ 38 pounds down.
3/ Cents per pound, scoured basis.
4/ Bureau of Labor Statistics.

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